

# EXHIBIT F

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

IN RE INTEGRATED HEALTH  
SERVICES, INC., et al.

Civil Action No. 05-376 GMS

Debtor

IHS LIQUIDATING, LLC

Bankruptcy No. 00-BK-389 MFW

v.

ACE INDEMNITY INSURANCE CO.

AFFIDAVIT OF DIANE K. MCCARTNEY

BEFORE ME, the undersigned authority, personally appeared Diane K. McCartney, who being by me duly sworn, deposed as follows:

1. My name is Diane K. McCartney. I am of sound mind, over 21 years of age and have never been convicted of a felony or crime of moral turpitude. I am fully capable of making this Affidavit and I am personally acquainted with the facts stated herein.

2. I am a paralegal with the law firm Deasey, Mahoney & Bender, Ltd. Deasey, Mahoney & Bender, Ltd., serves as counsel for Indemnity Insurance Company of North America. Indemnity Insurance Company of North America issued certain excess catastrophe liability policies to Integrated Health Services, Inc. For the last three years I have participated in the oversight of claims asserted against Integrated Health Services, Inc.

3. Indemnity Insurance Company of North America issued Excess Catastrophe Liability policy, No. XLX G19524139, to Integrated Health Services, Inc. for the period from January 1, 1999 to January 1, 2000. Pursuant to the Declarations, the limits of policy No. XLX G19524139 are \$50,000,000 each occurrence and \$50,000,000 aggregate excess of underlying insurance limits of \$50,000,000 each occurrence and \$50,000,000 aggregate.

4. The underlying insurance limits are comprised of a Commercial Umbrella policy number BE 357-43-43, issued for the period from January 1, 1999 to January 1, 2000, by National Union Fire Insurance Company of Pittsburgh, PA. The Commercial Umbrella policy limits are \$25,000,000 each occurrence and \$25,000,000 aggregate, excess of an underlying self-insured retention. The underlying limits were also comprised of Excess Liability policy number IXG-347714B, issued for the period from January 1, 1999 to January 1, 2000, by General Star Indemnity Company. The Excess Liability policy limits are \$25,000,000 each occurrence and \$25,000,000 aggregate excess of underlying and further in excess of a self-insured retention.

5. Hamlin & Burton Liability Management, Inc., has been Deasey, Mahoney & Bender, Ltd.'s contact with regard to the adjustment of claims prior to the purported exhaustion of the underlying coverage and for monitoring the exhaustion of the underlying coverage. Upon

request, Hamlin & Burton Liability Management, Inc. provided the attached spreadsheets documenting the exhaustion of the underlying insurance. One of the attached spreadsheets, attached hereto as Exhibit "1", documents the purported exhaustion of National Union Fire Insurance Company of Pittsburgh, PA policy number BE 357-43-43. The other spreadsheet, attached hereto as Exhibit "2", documents the purported exhaustion of General Star Indemnity Company policy number IXG-347714B.

6. Integrated Health Services Long Term Care, Inc., is a successor entity to Integrated Health Services, Inc. Mr. Martin Stein, Esquire is General Counsel. Mr. Stein provided a list of former Integrated Health Services of Lester, Inc., facilities. Mr. Stein's list is attached hereto as Exhibit "3".

7. I have compared the listing of Integrated Health Services of Lester, Inc. facilities to the spreadsheet information provided on behalf of National Union Fire Insurance Company of Pittsburgh, PA policy number BE 357-43-43 and found that approximately \$442,000.00 of the \$25,000,000.00 limits were paid in the defense and settlement of Integrated Health Services of Lester, Inc. claims.

8. I have compared the listing of Integrated Health Services of Lester, Inc. facilities to the spreadsheet information provided on behalf of General Star Indemnity Company policy number IXG-347714B and found that approximately \$3,100,000.00 of the \$25,000,000.00 limits were paid in the defense and settlement of Integrated Health Services of Lester, Inc. claims.

9. I have reviewed the spreadsheet information provided on behalf of National Union Fire Insurance Company of Pittsburgh, PA policy number BE 357-43-43 and found that, excluding defense costs paid for Integrated Health Services of Lester, Inc. claims, National Union Fire Insurance Company of Pittsburgh, PA paid approximately \$2,900,000.00 of the \$25,000,000.00 limits in defense costs for Integrated Health Services, Inc. claims.

*Diane L. McCartney*  
Affiant

SWORN TO AND SUBSCRIBED before me on this 20th day of March, 2006.

*Mary C. Finnegan*

